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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

ANNUAL COMPLIANCE REVIEW, 2019

Docket No. ACR2019

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO QUESTIONS 1-11 OF CHAIRMAN'S INFORMATION REQUEST NO. 7

The United States Postal Service hereby provides its responses to the abovelisted questions of Chairman's Information Request No. 7, issued on January 27, 2020. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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- 1. The FY 2019 Report lists the Postal Service's FY 2019 and FY 2020 strategic initiatives. FY 2019 Annual Report at 36-37. The Postal Service states, "[e]ach strategic initiative has a specific set of measures to track performance aligned to optimize short-term performance and build long-term capabilities." Id. at 36.
 - a. Please explain how the strategic initiatives relate to the Postal Service's performance goals and performance indicators.¹
 - b. In Docket No. ACR2018, the Postal Service provided performance measures and targets for FY 2019 strategic initiatives. *FY 2019 Annual Report* at 36. Please provide FY 2019 results for each strategic initiative performance measure.
 - c. Please provide a public description of each FY 2020 strategic initiative.
 - d. Please provide the performance measures the Postal Service will use to track performance of strategic initiatives in FY 2020. Please include FY 2020 targets, if applicable.

- a. Please see USPS-FY19-NP37, filed under seal.
- b. Please see USPS-FY19-NP37, filed under seal.

¹ See Docket No. ACR2018, Library Reference USPS-FY18-NP33, January 28, 2019.

C.

FY	20 Public Initiative Descriptions
Initiative Name	Initiative Description
Build a World-Class Customer Experience	This initiative aims to improve customer experience (CX) by addressing key pain points along the consumer journey, fostering a customer centric culture through employee engagement, and using customer sentiment data to provide actionable insights for operational improvements. In FY 2020, the emphasis will be to provide consistency and reliability, issue resolution, transparency and ease of use, and driver accelerators to drive customer loyalty. Each roadmap will have at least one workstream focused on tactical improvements for this fiscal year, and at least one workstream laying the groundwork for continued mid and long-term achievements in FY 2021 – FY 2024. The desired end-state is to improve the overall CX Index to a cell block 6, reduce customer calls to the care center, and increase satisfaction with issue resolution.
Form the Workforce of the Future	This initiative supports the workforce of the future by properly aligning resources, people, and technology. Evaluate multiple influencers impacting workforce needs to find the best fit for the organization and our employees. Review the makeup of the organization, evaluate employment processes and policies, and enable technology to empower the workforce to serve employees and customers.
Accelerate Innovation to Maximize Business Value	This initiative leverages technology, information and insights to grow and protect revenue, drive business efficiency, transform business processes and strengthen competitive position in the digital market place. Identify and prioritize roadmaps to manage a portfolio of business/industry partnerships that drive speed and positive business impact.
Accelerate Innovation to Enhance the Value of Mail	This initiative seeks to increase revenue, customer satisfaction and engagement through Sales, Brand Marketing, Pricing, Product Enhancements, and Innovation programs that sustain the value of the mailbox, accelerate innovation, and grow Informed Delivery adoption by mailers and households.
Build Platform to Grow a Profitable Package Platform	This initiative builds the product portfolio and supporting infrastructure needed to grow the package business of the future. This initiative aims to increase package revenue and contribution by meeting ever-changing customer expectations, increasing efficiency while decreasing costs, and keeping up with the competition. The initiative includes piloting major operational reconfigurations, and new product features and launches for USPS packages products.
Optimize Network Platform	This initiative is responsible for evaluating and right-sizing the mail processing infrastructure to increase operating efficiency, reduce costs, and provide reliable and consistent service.
Optimize Delivery & Retail Platforms	This initiative seeks to redefine city and rural routes, improve first mile acceptance processes, enhance the customer experience with

package delivery, and deploy new systems to improve the platforms.

d. Please see USPS-FY-NP37, filed under seal.

- 2. The Customer Effort Score (CES) is "a retention or loyalty indicator that measures how easy it is to conduct a transaction."²
 - a. Please explain whether the Postal Service uses the CES to measure customer experiences. In the response, please identify the CES question(s) on the applicable survey(s).
 - b. If the Postal Service does not use the CES to measure customer experiences, please explain whether the Postal Service has considered doing so and the reasons for not using the CES to measure customer experiences.

- a. Yes, the Postal Service uses the CES to measure customer experiences in the Customer Care Center Interactive Voice Response (IVR) survey. The question asked is, "How would you rate the ease of use of the automated system, with 6 being very easy and 1 being very complex?"
- b. N/A.

² United States Postal Service Office of Inspector General, "Postal Customer Satisfaction: A Primer of Four Surveys," RARC-WP-17-010, August 28, 2017, at 7. For example, a CES question may ask "to what extent do you agree or disagree with the following statement: The company made it easy for me to handle my issue?," on a scale of 1-7.

- 3. The Net Promoter Score (NPS) asks customers to evaluate how likely they are to recommend a company to a friend on a scale of 0 to 10.3
 - a. Please explain whether the Postal Service uses the NPS to measure customer experiences. In the response, please identify the NPS question(s) on the applicable survey(s).
 - b. If the Postal Service does not use the NPS to measure customer experiences, please explain whether the Postal Service has considered doing so and the reasons for not using the NPS to measure customer experiences.

- a. Yes, the Postal Service uses the NPS to measure customer experience. The NPS question is included on the following surveys:
 - Point of Sale (POS): Thinking about this visit to the Post Office, how likely are you to recommend the USPS to a friend or colleague?
 - Delivery: Thinking about this visit to the Post Office, how likely are you to recommend the USPS to a [Residential Customer: friend or family member; Small Business: colleague]?
 - Enterprise Customer Care (eCC): Thinking about your overall
 experience with the service you received in response to this
 issue, how likely are you to recommend the USPS® to a friend,
 family member, or colleague?

³ *Id.* For example, an NPS question may ask, "how likely is it that you would recommend an organization, product, or service to a friend?"

- Business Service Network (BSN): Thinking about your overall experience with the Business Service Network (BSN), how likely are you to recommend the USPS to a colleague?
- Business Mail Entry Unit (BMEU): Thinking about your most recent visit or call to this Business Mail Entry Unit, how likely are you to recommend the USPS to a colleague?
- USPS.com: Thinking about your recent experience with the USPS.com website, how likely are you to recommend the USPS to a friend or colleague?
- Customer Care Center Live Agent: Thinking about your recent experience with the contact center, how likely are you to recommend the USPS to a friend or colleague, with 10 being extremely likely and 0 being not at all likely?
- Customer Care Center Interactive Voice Response (IVR):
 Thinking about your recent experience with the automated system, how likely are you to recommend the USPS to a friend or colleague, with 10 being extremely likely and 0 being not at all likely?

- **4.** Some companies analyze social media platforms to evaluate feedback and sentiment from customers expressed on social media.
 - a. Please explain whether the Postal Service analyzes social media platforms to evaluate customer experiences. In the response, please explain the process for doing so and describe the metrics and performance measures used.
 - b. If the Postal Service does not analyze social media platforms to measure customer experiences, please explain whether the Postal Service has considered doing so and the reasons for not analyzing social media platforms to measure customer experiences.

- a. Yes, this is done on several levels. First, the Postal Service evaluates the performance of its social media associates by surveys sent to customers after a case has been closed to evaluate their experience, with the intention of collecting feedback to improve performance over time. Second, the Postal Service continually monitors its social media platforms to identify customer pinch points and triage those situations for remediation. And third, the Postal Service performs case-specific evaluations (e.g., stamps, product or service offerings) through its social media platforms and shares those findings with the specific teams that oversee the business units responsible for the management of those offerings.
- b. N/A.

5. Please provide supporting workpapers showing how the Total Accident Rate results were calculated for fiscal years (FYs) 2016 through 2019. The response should contain a similar level of detail as the response provided in Docket No. ACR2018.⁴ If the numbers provided in the response differ from the numbers in the FY 2019 Annual Report, please explain why.

RESPONSE:

FY19 - Total Accidents Rate / Improvement



Description

This indicator is established by taking the total count of all accidents (recordable / non-recordable and industrial / motor vehicle) per exposure hour (Rate) and the year to date total accidents compared to SPLY (Improvement.) The accident rate is calculated by taking the total number of accidents x 200,000, divided by exposure hours. The weight of the cell values is as follows: 60% for YTD Accidents Rate and 40% for YTD accident count to SPLY. Improvement will be applied only if it helps the overall score.

Measurement Period

This performance indicator will be measured each month and cumulative scores will be reported as Year-To-Date (YTD) result.

Data Source and Calculation

Source – Accident counts retrieved from EDW (FY19 Total Accidents NPA) by district. Each report pulled monthly.

Indicator Value – When Improvement helps - average of Rate (60%) and Improvement (40%) Cells

When Improvement does not help - Total Accidents Rate Cell

Business Rule - Rate: (\frac{YTD Total Accident Count \times 200,000}{Exposure Hours})

Improvement: $(\frac{YTD\ Current\ FY\ Total\ Accident\ Count-YTD\ Prior\ FY\ Total\ Accident\ Count}{YTD\ Prior\ FY\ Total\ Accident\ Count}) \times 100$

| Hour Code | Hour Code Description | 35 | Extra Straight Time | 43 | Penalty Overtime | 52 | Work Hours (Includes Rural) | 53 | Overtime | 57 | Holiday Worked Pay | 66 | PM Convention Leave | 80 | Relocation Leave | 89 | Postmaster Ogranization Leave | 89 | Postmaster Ogranization Leave | 80 | Relocation Leave | 80

Decimal Precision - Two Decimals

Data Validation

EDW > HR Health and Safety Reporting > Shared Reports > HS National Reports > NPA Total Accidents Unit

⁴ Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-9 of Chairman's Information Request No. 13, February 21, 2019, question 5.

FY18 - Total Accidents Rate / Improvement

Total Accidents Rate Targets and Thresholds 16.55 16.38 16.17 15.88 15.50 14.07 12.94 12.67 12.27 11.76 11.17 10.58 9.87 9.00 Total Accidents Improvement Targets and Thresholds 10 12 13 14 15 -2.00 -3.00 0.00 -16.00-18.00-20.00 -22.00-24.00-26.00 -28.00 -30.00

Description

This indicator is established by taking the total count of all accidents (recordable / non-recordable and industrial / motor vehicle) per exposure hour (Rate) and the year to date total accidents compared to SPLY (Improvement.) The accident rate is calculated by taking the total number of accidents x 200,000, divided by exposure hours. The weight of the cell values is as follows: 60% for YTD Accidents Rate and 40% for YTD accident count to SPLY. Improvement will be applied only if it helps the overall score.

Measurement Period
This performance indicator will be measured each month and cumulative scores will be reported as Year-To-Date (YTD) result.

Data Source and Calculation

Accident counts retrieved from EDW (FY17 Total Accidents NPA) by district. Each report pulled monthly.

Indicator Value When Improvement helps - average of Rate (60%) and Improvement (40%) Cells

When Improvement does not help - Total Accidents Rate Cell Business Rule

YTD Total Accident Count×200,000 Exposure Hours

> YTD Current FY Total Accident Count-YTD Prior FY Total Accident Count) × 100 Improvement:

YTD Prior FY Total Accident Count

Exposure Hour Codes:

Hour Code Hour Code Description 35 Extra Straight Time 43 Penalty Overtime 52 Work Hours (Includes Rural) 53 Overtime 57 Holiday Worked Pay 66 PM Convention Leave 80 Relocation Leave 89 Postmaster Ogranization Leave

Decimal Precision Two Decimals

Data Validation

EDW > HR Health and Safety Reporting > Shared Reports > HS National Reports > NPA Total Accidents Unit

FY17 - Total Accident Rate (Corp)

Total Accident Rate Targets and Thresholds

Description
This indicator is established by taking the total count of all accidents (recordable / non-recordable and industrial / motor vehicle) per exposure hour. The accident rate is calculated by taking the total number of accidents x 200,000, divided by exposure hours.

Measurement Period

This performance indicator will be measured each month and cumulative scores will be reported as Year-To-Date (YTD) result.

Data Source and Calculation

Accident counts retrieved from EDW (FY17 Total Accidents NPA (Corporate)) by district. Each report pulled monthly. Source

Indicator Value Accidents per Exposure Hour

Business Rule (YTD Total Accident Count×200,000)

Exposure Hours

Exposure Hour Codes:

Hour Code	Hour Code Description
35	Extra Straight Time
43	Penalty Overtime
52	Work Hours (Includes Rural)
53	Overtime
57	Holiday Worked Pay
66	PM Convention Leave
80	Relocation Leave
89	Postmaster Ogranization Leave

Decimal Precision - Two Decimals

Data Validation

EDW > HR Health and Safety Reporting > Shared Reports > HS National Reports > NPA Total Accidents Corporate

FY16 - Total Accidents

Total Accidents Rate

Targets and Thresholds

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
25.00	22.00	20.00	18.00	17.00	15.00	14.50	14.00	13.00	12.50	11.00	10.00	9.00	8.50	8.00

Total A	ccidents	Impro	vement			<u>Targets and Thresholds</u>								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
5.00	4.00	3.00	2.00	1.00	-1.00	-3.00	-5.00	-7.00	-9.00	-11.00	-13.00	-15.00	-17.00	-20.00

Description

Measurement Period

Data Source and Calculation

Data Validation

Applicable Positions / Units, Measurement Depth and Weight:

Description

This indicator is a rate established by taking the total count of all accidents (recordable / non-recordable and industrial / motor vehicle) per exposure hour and the year to date total accidents compared to SPLY. The accident rate is calculated by taking the total number of accidents x 200,000, divided by exposure hours. The weight of the cell values is as follows: 60% for YTD per exposure hour and 40% for YTD accident count to SPLY. Improvement will be applied only if it helps the overall score.

Measurement Period

This performance indicator will be measured each month and cumulative scores will be reported as Year-To-Date (YTD) result.

Data Source and Calculation

Source Accident counts retrieved from EDW (OSHA Rate) by district. Each report pulled monthly.

The average of the YTD per exposure hour rate cell and the YTD total accident count to SPLY cell. The weight of the cell values is as follows: 60% for YTD per exposure hour and 40% for YTD accident count to SPLY. Improvement will be applied only if it helps the

overall score. Indicator Value

Business Rule

Rate: (\frac{YTD Total Accident Count\times 200,000}{\text{reserved}}\)

Exposure Hours

SPLY: (\(\frac{YTD Current FY Total Accident Count-YTD Prior FY Total Accident Count\)\) \times 100

YTD Prior FY Total Accident Count

Decimal Precision Two Decimals

Data Validation

EDW > HR Health and Safety Reporting > Shared Reports > HS National Reports > OSHA Rate

6. Aside from the Safety Intervention and Recognition program, please explain why the total number of accidents decreased between FY 2018 and FY 2019. See FY 2019 Annual Report at 27.

RESPONSE:

In FY 2019 the Postal Service focused on the importance of leadership in maintaining a culture of safety. New improved tools, such as the Safety Dashboard, which tracks accidents on a daily basis, and the Informed Delivery Mobile Observation Tool, which allows management to utilize mobile devices to track unsafe behaviors and recognize safe work habits, were released to allow field leadership the ability to analyze and forecast accident trends in order to implement proactive efforts at the earliest time possible. These tools provide root cause analysis information and historical performance data. Each data point can be reviewed at a national, area, district, or facility level and can be analyzed based on years of service, job assignment, contributing factor, and other important data elements.

Early intervention with processing facilities and Post Offices allowed the establishment of effective accident reduction action plans that enlisted the cooperation and support of employees. The Postal Service also leveraged delivery management systems to gain a better understanding of motor vehicle accident risks such as unsafe behaviors and dangerous roads.

Putting the right data, in the right hands, at the right time, allowed leadership to focus on prevention and initiate proactive action plans. With the addition of the new Safety Intervention and Recognition program, early intervention allowed facilities to get back on

track more quickly	and take	immediate	action to	address	potential	hazards	and	unsafe
behaviors.								

7. Please provide the number of motor vehicle and non-motor vehicle accidents for FYs 2016 through 2019. If the numbers provided in the response differ from the numbers in the FY 2019 Annual Report, please explain why.

RESPONSE:

The following table contains the number of motor vehicle and non-motor vehicle accidents for FYs 2016 - 2019:

Fiscal Year	Motor Vehicle	Non-Motor Vehicle
FY16	28,976	66,935
FY17	29,429	66,080
FY18	30,022	64,574
FY19	28,888	60,508

These figures differ from the FY 2019 Annual Report to Congress, as they were pulled from the Enterprise Data Warehouse (EDW) database on January 28, 2020. Figures reported in the Annual Report to Congress are pulled as close to the end of the fiscal year as possible and are considered official results.

8. In Docket No. ACR2018, the Postal Service described a new Professional Driving Academy with a target implementation date of FY 2019, Quarter 4.⁵ Please describe the implementation of the Professional Driving Academy and discuss any impact it has had on preventing or reducing the number of motor vehicle accidents in FY 2019.

RESPONSE:

The Professional Driving Academy launch date was delayed and implementation was not started in FY 2019 due to continued refining of new driving training materials and policies. The Postal Service will be working with its bargaining unit partners to arrive at an agreement on the training and testing being proposed prior to program launch.

In the interim, the Postal Service has focused on performing quality driver safety observations, which allow local leaders to proactively address unsafe driving behaviors

before they result in a motor vehicle accident.

⁵ Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 16, February 27, 2019, question 4.a.

9. Please explain how implementing automated quality safety observations helped prevent accidents in FY 2019. See FY 2019 Annual Report at 27.

RESPONSE:

The main objective in any safety training program is the elimination of incidents and injuries. The key to eliminating incidents and injuries is to modify behavior by observing people as they work and talking with them to encourage safe work practices and eliminate at-risk behaviors.

The automated safety observation process allows supervisors and managers to observe workers who are performing normal work activities, reinforce safe work practices, and correct unsafe acts and conditions. The system compiles all of the findings into a user friendly database. The tracking and collection of this data enables the Postal Service to analyze the results of its observations and better understand strengths, gaps, and predict future performance.

- **10.** The Postal Service measures employee engagement using the Postal Pulse survey and evaluates progress using the Survey Response Rate. *Id.*
 - a. Please provide a copy of the Postal Pulse survey.
 - b. Please explain how the Postal Pulse survey was administered during FY 2019 (*e.g.*, on site, on-the-clock implementation). In the response, please specify how often the survey was administered and whether the surveys were distributed by mail, email, or both.
 - c. Please describe the methodology for calculating the Survey Response Rate. In the response, please provide for FY 2019 the number of surveys sent and the adjusted number of employees who responded to the survey.⁶
 - d. Please provide a table listing the FY 2019 Postal Pulse survey Grand Mean Engagement Score, as well as FY 2019 mean scores for each item on the survey (including Item 0 on overall satisfaction).

- a. Please see the attachment at the end of this response.
- b. The Postal Pulse survey was administered once during FY 2019.
 Implementation was on site and on the clock, in hardcopy format for bargaining unit employees and electronic format for non-bargaining employees. In addition, bargaining unit employees received a hardcopy survey at their home address and electronic option via Lite Blue.
- c. Calculation Methodology for the Survey Response Rate is as follows: The total number of survey participants who answered at least one Q12 question item (Q01-Q12) within the engagement survey, divided by the total eligible population.

⁶ Docket No. ACR2018, Postal Regulatory Commission, *Analysis of the Postal Service's FY 2018 Annual Performance Report and FY 2019 Performance Plan*, May 13, 2019, at 63.

Response Rate Counts:

- Number of survey participants 226,791
- Total eligible population (surveys deployed) 589,140
- Response rate (rounded) 38 percent
 d. FY 2019 Postal Pulse Grand Mean Engagement Score = 3.36

Q00. Overall Satisfaction	3.59
Q01. Know What's Expected	4.28
Q02. Materials and Equipment	3.58
Q03. Opportunity to Do Best	3.77
Q04. Recognition	2.86
Q05. Cares About Me	3.46
Q06. Development	3.08
Q07. Opinions Count	2.92
Q08. Mission/Purpose	3.60
Q09. Committed to Quality	3.42
Q10. Best Friend	3.07
Q11. Progress	2.85
Q12. Learn and Grow	3.14

THE POSTAL PULSE

SURVEY INSTRUCTIONS

Please carefully follow the steps below when completing this survey.		EXA	MPLE
 Use only a blue or black ink pen that does not blot the paper 		RIGHT WAY	WRONG WAY
 Make solid marks inside the response boxes 		▼	▼.
Do not make other marks on the survey	→	X	K.

Please complete your survey at your workplace in order to receive time on-the-clock to take the survey.

STAI	RT HERE Begin the survey by answering the following question regarding your level of satisfaction with the Postal Service as a place to work.	Extremely Dissatisfied 1 2	Extremely Satisfied 3 4 5	Don't Know
↓ 0.	On a five-point scale, where 5 means extremely satisfied and 1 means extremely dissatisfied, how satisfied are you with the Postal Service as a place to work?	🗆 🗆		
On a f please	ive-point scale, where 5 means strongly agree and 1 means strongly disagree, rate your level of agreement with the following items.	Strongly Disagree 1 2	Strongly Agree 3 4 5	Don't Know/ Do Not Appl
1.	I know what is expected of me at work.	🗆 🗆 1		
2.	I have the materials and equipment I need to do my work right	🗆 🗆 [
3.	At work, I have the opportunity to do what I do best every day	🗆 🗆 [
4.	In the last seven days, I have received recognition or praise for doing good work			
5.	My supervisor, or someone at work, seems to care about me as a person			
6.	There is someone at work who encourages my development			
7.	At work, my opinions seem to count.			
8.	The mission or purpose of my company makes me feel my job is important			
9.	My fellow employees are committed to doing quality work.			
10.	I have a best friend at work			
	In the last six months, someone at work has talked to me about my progress			
12.	This last year, I have had opportunities at work to learn and grow	🗆 🗆 🛭		
What o	one thing would you do within your team to improve engagement? we the enclosed FAQs for information on how comments are reported.			
	THANK YOU for your participation! Please mail your completed survey to Gallup no later than Fridusing the postage-paid business reply envelope pro-	lay, June 1	4, 2019,	



- 11. The FY 2019 Annual Report states that the Postal Pulse survey included a direct response comment box asking employees what one action they believe would improve their work environment. FY 2019 Annual Report at 28.
 - a. Please describe the responses provided in the comment boxes. In the response, please specify the most common actions employees believe would improve their work environment.
 - b. Please explain how the Postal Service is using these comments to improve employee engagement in FY 2020.

- a. The FY 2019 Postal Pulse Survey received approximately 110,000 comments from employees. The top three themes were: 1) Improve manager and supervisor capabilities, professionalism, and availability; 2) Improve care, respect, support, and positivity; and 3) Improve communications.
- The comment box analysis was provided to Postal Service senior
 leadership in each Area to guide actions for improvement and recognition.